Apple Computer, Inc.

CORPORATE BACKGROUND INFORMATION

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INTRODUCTION

> Apple owes its history, its presence, and its future all to a single, simple vision. "One person, one computer." Which is a shorter, sweeter way of expressing a notion that seems no less audacious today than it did ten years ago--the notion that an ordinary person has a right to indulge in the extraordinary power of a computer. That computers ought to be cheap enough, small enough, and easy enough for just about anyone to own and use.
>
> -- "So Far, The First Ten Years of A Vision"
> by Rob Price

1987 marks not only the tenth anniversary of Apple Computer but also the first decade of personal computers. In this brief span of time, personal computers have revolutionized the way people around the world work, learn, create and communicate. And Apple has been at the forefront of this social and cultural phenomenon.

The introduction of the first Apple II system became the catalyst for a new class of computing tool. For the first time, computers had the potential to empower the individual--office worker, preschooler, scientist, musician--in limitless ways. A multifaceted infrastructure of hardware and software developers, resellers, news media, and venture capitalists created a new industry around the personal computer. By 1986, sales of personal computers reached $55 billion. Apple, which began as a start-up in a garage in 1976 grew to become a multi-billion dollar, Fortune 200 company doing business in more than 80 countries.

Apple has maintained the vision and determination of founders Steve Jobs and Steve Wozniak to make computing power affordable and accessible to everyone by focussing its product development on personal, rather than organizational productivity. By consistently holding to a philosophy to create products that provide meaningful differences rather than better sameness, Apple's technological innovations have pioneered new applications and expanded the market for personal computers into the second decade. This strong independence and focus on innovation have allowed Apple to control its destiny in the marketplace, while providing the most popular alternative to the MS-DOS world.

PRODUCTS AND TECHNOLOGY

Apple offers an extensive line of personal computers, peripherals and system software designed to address individual needs. The Apple II family of computers--the Apple IIc, the Apple IIe and the Apple IIGS--along with the Macintosh family of computers--the Macintosh Plus, the Macintosh SE and the Macintosh II--comprise Apple's line of central processors (CPU). Apple develops international versions of all products in order to meet the specific demands and requirements of individual geographic markets.

The Apple IIe provides ease-of-use and the flexibility of expansion slots. The newer Apple IIc is positioned as an easily transportable, high quality and affordable computer. The newest addition to the II family, the Apple IIGS, combines graphics, sound and enhanced color for sophisticated applications. Currently, over 10,000 software programs have been written for the Apple II family.

The Macintosh product family is characterized by ease-of-learning, a graphics orientation and 32-bit technology. More than 2,500 third-party applications packages are now available for Macintosh systems. The Macintosh Plus, introduced in 1986 is the entry-level system of the family. The Macintosh SE with one expansion slot has become the flagship product of Apple's business sales. The Macintosh II offers 8 expansion slots and Nubus technology and the poswer to complex scientific, engineering and business applications.

Along with its line of CPUs, Apple also offers a full line of computer peripherals, including the LaserWriter and ImageWriter printers, disk drives and color and monochrome monitors. In addition, new system software products, such as MultiFinder, HyperCard and an Apple implementation of the Unix operating system extend the usefulness of Apple computers. Communications products such as modems, the AppleTalk local area network and AppleShare file server allow individual users to gain access to and share information with other computers.

Apple's technological vision today embraces both innovation and industry standards. In the words of chairman and CEO John Sculley, Apple's original goal of "one person, one computer," has become, "one person, one computer, transparently and elegantly connected to the world." Apple, responding to customers' needs for effective communications, connectivity and compatibility pursues the kinds of standards that will achieve seamless integration between a variety of different computer types and brands.

In April 1987, Apple withdrew from the application software business, turning over all development and marketing activities for its line of applications packages to a newly formed subsidiary, Claris Corporation. Apple now focuses research and development on building innovative hardware and system software that can provide platforms for peripherals and creative application software from independent developers.

In 1986 Apple became the first corporation to purchase a Cray X-MP/48 supercomputer for the purpose of developing personal computer technology. The system, valued at $15.5 million, is used to simulate future hardware and software architectures and accelerate new product development. Apple currently invests approximately 7.2 percent of its sales in research and development.

Apple's strengths in the market are based on proprietary technology, the ease-of-use inherent in the computer/user interface, the graphics capability of the system architecture and the future upgradability of the Motorola 68000 family of microprocessors, which is at the center of the Macintosh. The company believes that user interfaces will drive future growth of the industry, opening up new opportunities for more individuals to benefit from personal computers.

MARKETS

In June 1985, Apple reorganized around functional operations rather than product divisions. Shortly thereafter, Apple began to focus sales, marketing and product development on specific market segments--education, business, consumer. Today, these segments are being further sub-divided in order to respond efficiently and effectively to the needs of customers. The company has also established a concerted effort to support the U.S. government marketplace. International sales are providing a growing contribution to Apple's overall revenues.

CONSUMER

Acceptance for Apple's products came first in the consumer market. Thousands of computer enthusiasts and "early adopters" were quick to perceive the personal computer as a low-cost, easy-to-use tool with unlimited potential uses. Today, Apple computers are used in the home by families for personal productivity, household management, home businesses, education, work-at-home, creativity expression and entertainment.

Apple's leadership position in education has helped to drive sales into the consumer market where parents tend to purchase a learning tool at home that is the same as the one their children use at school. Apple's growing momentum in corporate sales is directly affecting the sales of Apple products for home-based businesses and for the corporate business person who frequently works at home.

Growing awareness of music-generation and music-learning applications, home publishing and life-long learning offer very promising opportunities for Apple computers in the consumer market in the future.

Apple has a strong commitment to the consumer market and Apple II user community. The company is one of the few computer manufacturers to directly support user interest and involvement in computer technology. Apple actively works with independent user groups as well as the Apple Computer Clubs, which are available for children in kindergarten through high school. Currently there are approximately 15,000 International Apple Computer Clubs and 800 user groups in the U.S., comprised of nearly 300,000 dedicated Apple users.

The Apple II family, particulary the Apple IIc and Apple IIGS are the primary products for Apple's consumer sales. However, growing numbers of homes are purchasing the entry-level Macintosh Plus for home businesses and some other applications.

EDUCATION

Apple's vision to make a difference, to help change people's lives was key to its early focus on the education market. Apple personal computers, with the founding of the Apple Education Foundation, became firmly established in the U.S. education system in the late 1970's. Today, educators throughout the world are bringing computers into the classroom, from pre-school through post-graduate studies. In addition, computers are opening new vistas of learning for disabled individuals.

Personal computers have begun to make a significant impact on the role of today's teacher. John Sculley, Apple's chairman and CEO has said, "The teacher no longer has to be the person who drills student on facts. Rather, the teacher can help students develop their critical analysis and conceptual skills. These skills are going to be more important in an age where information is growing at explosive rates."

In the United States educational institutions are beginning to shift from teaching computers to teaching <u>with</u> computers. New curriculum-based software from independent developers is helping to drive the acceptance of computers as curriculum-based learning tools.

According to Talmis, an independent market research firm in New York, 425,000 to 450,000 microcomputers are purchased annually by educational institutions in the U.S. The firm estimates Apple's share of the education market to be approximately 65 percent.

Apple segments the education market into two groups: kindergarten through 12th grade, which includes Apple's office of special education; and higher education. . Accordingly, marketing and sales programs as well as product development are tailored for each segment.

The Apple II family, particulary the Apple IIe and Apple IIGS, is the primary institutional computer for the K-12 market. Apple has continually added new solutions and enhancements to the Apple II product family while maintaining software compatibility throughout the line--important considerations for the education buyer. The Macintosh family is aimed at the higher-education market where the system's intuitive, graphic interface and ease of use and learning are popular among administrators, faculty, and students.

A significant factor in Apple's success in higher education can be attributed to Apple's ongoing commitment to encourage schools to become active partners in developing and integrating computer solutions into campus curriculum and administration. The Apple University Consortium, formed in 1984, is a partnership of approximately 100 influential colleges and universities around the world (32 domestic, 80 international), which explore innovative uses for the Macintosh personal computer, develop courseware, share information and act as an advisory council to Apple.

Apple is committed to extending the usefulness of computers in education. Currently Apple sponsors two research projects that are designed to explore the effects of computers in the learning process--The Apple Classroom of Tomorrow (ACOT) and Vivarium. Although separate in focus, both projects are gaining insight into the relationships and interaction of computers, teachers, students and parents. The findings are being used to design and develop next-generation computer tools and programs. In addition, Apple has established strategic partnerships with such companies as such as National Geographic Society and Lucasfilms Ltd., to explore the opportunities for new technologies in education.

BUSINESS

With the introduction of the Macintosh in 1984, Apple began to focus on the business marketplace. In 1986, the introduction of the Macintosh Plus and sophisticated business software from major third parties resulted in renewed business interest in the Macintosh.

Desktop publishing became Apple's "Trojan horse" for penetrating large corporations and establishing a sales momentum for the Macintosh. In just a few years electronic publishing moved into the mainstream of personal computing. Apple was in a position to gain an early lead in the desktop publishing market because it had a graphics-oriented CPU architecture, the LaserWriter printer, and the support of third party products such as PostScript from Adobe Systems and PageMaker from Aldus Corporation.

Today, personal computer sales are growing the fastest in the business market where sales are made on value and performance rather than on price. Similarly, much of Apple's revenue growth in 1986 and 1987 was the result of an increasing sales momentum of the Macintosh in businesses. Two-thirds of all Macintosh computers sold today are sold to the business marketplace. Approximately 40 percent are sold to companies with more than 1,000 employees.

Many companies are embracing the Macintosh because its intuitive, consistent interface can greatly reduce training costs. One case study showed the Macintosh reduced training expenses by a factor of eight over MS-DOS machines. The Macintosh's graphics capability has also provided a strong attraction to businesses such as service industries, publishing and aerospace.

Additionally the ability for computers to communicate with each other is important to business customers. Apple is committed to providing directly and through third-party support transparent access of information and integration of Macintosh computers in multivendor, distributed processing environments.

GOVERNMENT

The U.S. government is the country's largest employer, the largest publisher and the organization with the greatest opportunity to reduce training costs. Accordingly, it represents an attractive market for Apple's technology as well as an important source of revenue in the next decade. Input, a market research firm based in Mountain View, California, estimates the federal government alone spent more than $840 million in 1986 on microcomputer hardware and software and professional services. The firm expects the number to reach $1.3 billion in 1991, based on an average annual growth rate of 10 percent.

In the later half of 1986, Apple made a commitment to serve the government market at the federal, state and local levels. Only after the company had successfully gained acceptance in the business market and introduced the powerful and open Macintosh SE and Macintosh II systems, was it ready to expand its sales and marketing efforts into government.

Since then, the company has made important inroads into the government market, at every level. For example, the Macintosh is currently used by firefighting and law enforcement departments, by transportation officials and by government agencies in Washington, D.C. Additionally, it is used internally by some large government contractors like McDonnell-Douglas, Lockheed, Honeywell, and Rockwell International.

To help facilitate Apple's discussions with legislators on procurement policy, international trade, copyright protection and other issues, Apple recently opened an Office of Government Affairs. The group is located in Apple's sales office and executive briefing center in the Washington, D.C. area.

At the state and local level, Apple will develop products and marketing programs for certain vertical market segments such as fire services, hazardous materials handling, public transportation, police, city administration, public health and welfare. Initially, the company has introduced FireLink, a software solutions package for firefighters and fire department administrators.

Because UNIX and MS-DOS are standards in the government environment, the company has set a strategic directive to provide Macintosh users with compatibility and connectivity with computers from IBM and Digital Equipment Corporation. In addition, Apple will tailor products for certain government bids and create new solutions that are specific to government needs.

INTERNATIONAL

Apple began international operations in Europe in 1979, when the first independent distributors were set up under the name Eurapple. These operations were sold to Apple in August, 1980. Apple Computer International became a legal corporation and officially opened its headquarters in Paris, France in February 1981. Today international sales account for approximately a third of Apple's total revenue and a quarter of Apple's employees.

Apple Computer International sells through wholly-owned subsidiaries and distributors. Apple has 15 subsidiaries --Australia, Austria, Belgium, Canada, France, Germany, Hong Kong, the Republic of Ireland, Italy, Japan, the Netherlands, Norway, Spain, Sweden and the United Kingdom. In addition the company is represented in more than 80 countries through licensed distributors.

Apple Computer International's philosophy has always been that local managers know their own countries best. Accordingly, strategic direction and support is provided by the corporate offices, while the responsibility for operational implementation and local business rests with the individual country. Similarly, Apple manufactures

different international or localized versions of its products and gives software developers throughout the world the means to write software that is easily adapted for foreign languages.

MANUFACTURING OPERATIONS

To compete successfully today, a personal computer company must be a world-class manufacturer. Apple Computer, seeking to use manufacturing as a competitive advantage in the marketplace, has implemented state-of-the-art manufacturing management and methods including just-in-time delivery, zero deffects, computer integrated manufacturing, long term supplier partnerships and flexible automation procedures.

A prime example of Apple's manufacturing philosophy in action is its manufacturing complex in Fremont, Calif. At the four-building site, a highly motivated and enthusiastic workforce of less than 500 people operates one of the most advanced production facilities in the personal computer industry. Integrated computer control, automated storage and retrieval, and robotics are the essential components of the manufacturing process which produces a new Macintosh computer every 25 to30 seconds.

On the factory floor, over 200 Macintosh computers serve as workstations and access terminals, monitoring supplies, tracking production, controlling machines, performing tests and communicating with the factory's mainframe computer.

To meet the requirements of the Fremont manufacturing system, Apple has developed partnerships with its vendors that are based on a commitment to zero-defect, on-time delivery of the 300 parts that make up the Macintosh. Some parts are single-sourced, but most have one to four back-up sources.

In addition to the Fremont plant, which is responsible for the assembly of the Macintosh Plus, SE and II computers, various hard disks and the LaserWriter printer, Apple has manufacturing operations in Singapore and Cork, Ireland.

In Singapore, 300 employees produce the Apple IIe, Apple IIc and Apple IIGS personal computers on highly automated lines designed by Apple Singapore's engineers. It has maintained sole worldwide board production for the Apple II line since 1982.

Apple's plant in the Republic of Ireland opened in 1980 and manufactures international versions of the Apple product line. Excelling in diverse assembly operations, the Cork plant locally sources components, such as computer casings and keyboards, and receives shipments of printed-circuit boards from the Singapore and Fremont plants.

U.S. SALES, DISTRIBUTION & SUPPORT

Apple's U.S. sales organization is divided into three regional divisions--Western Operations, Eastern Operations and Central Operations. This regionalization was made to bring the essential elements of sales and support as close as possible to the customer. Training, service, distribution, sales staff, and sales programs are regionalized to satisfy the requirements of geographic areas.

In 1980 Apple began to decentralize its distribution network and set up regional support centers. Today there are full-service support centers in Chicago, Charlotte, NC, and Sunnyvale, Calif. and warehouses in Dallas and Boston. Each center is responsible for receiving and processing customer orders placed within the region. Because each center maintains a full inventory of Apple products, customer orders typically are shipped within 24 to 48 hours of receipt .

Apple products are sold through an integrated, multi-channel distribution structure that delivers Apple products to target markets. Apple's primary distribution channel is a nationwide network of approximately 2000 computer specialty stores. These retailers, which include independent and nationwide businesses, are encouraged by Apple to tailor their sales activities to meet the needs of customers within key markets or market segments.

Programs such as The Education Dealer Program, HEPP II (a dealer-based higher education sales program), Advanced Desktop Publishing Program, and AppleFund (a flexible co-op advertising and market development program) are designed to support dealer specialization and ensure customer satisfaction in specific markets.

An emerging channel for Apple is value added resellers (VAR). VARs expand Apple's distribution to specialized markets beyond the scope of the dealer channel. These resellers must offer a value-added product with significant enhancements in capability or functionality for a specific vertical industry or applications requirement.

Apple has identified five key areas for VAR development with Apple products: publishing, printing and graphic design; intelligent workstations; value-added peripheral products; and captive sales systems.

Apple sells products directly through a National Accounts channel to 75 large corporations. The National Accounts program has been used strategically to develop applications, products, training and sales programs for marketing the Macintosh into business. Apple also has dedicated, direct sales forces for the education and government markets. However, Apple's government sales include not only the direct channel, but dealers, VARs and large system integrators as well.

MANAGEMENT TEAM

John Sculley joined Apple Computer, Inc. in April 1983, as president and chief executive officer and on January 29, 1986, was named chairman of the board. Prior to joining Apple, Sculley was president and chief executive officer of Pepsi-Cola Company for five years. Under his leadership, Pepsi passed Coca-Cola in Nielsen market share, becoming the number one consumer product sold in supermarkets in the United States. Mr. Sculley graduated in 1961 from Brown University with a bachelor's degree in architecture. He also holds a master's in business administration from the Wharton Business School. He is the author of "Odyssey, Pepsi to Apple," a book which focuses on lessons he has learned during his years at the helm of Pepsi and Apple; and how they apply to 21st century companies.

Delbert W. Yocam is executive vice president and chief operating officer of Apple Computer, Inc. Previously, Yocam held the position of executive vice president and group executive of product operations and was responsible for advanced technology, product development, worldwide manufacturing, distribution and service. While at Apple, he has also held the position of general manager of the Apple II group which developed, engineered, manufactured and marketed all Apple II products. Prior to joining Apple, Yocam was materials manager for the test systems group of Fairchild Camera and Instrument Corporation. He has also held positions with ITT's Canon Electric Division and with Computer Automation. Yocam holds a bachelor's degree in business administration from California State University at Fullerton and a master's in business administration from California State University at Long Beach.

David J. Barram, vice president corporate affairs is responsible for overseeing Apple's involvement in community relations and government affairs. He joined Apple Computer, Inc. in April 1985, as vice president and chief financial officer. Prior to joining Apple, Mr. Barram served as CFO and vice president of finance and administration at Silicon Graphics, Inc. He came to Silicon Graphics from Hewlett-Packard, where he was group controller of the computer products group and also held finance and marketing positions. Barram holds a bachelor's degree in economics and political science from Wheaton College; and a master's in business administration from the University of Santa Clara.

Charles W. Berger is vice president, market development for Apple Computer, Inc. Since joining Apple in 1982, he has held the positions of vice president of business development, director of strategic sales and spent three years as treasurer. Prior to Apple, Berger was assistant treasurer at ROLM Corporation and president of ROLM Credit Corporation. A graduate of Bucknell University, Berger holds a bachelor's of science degree in business administration. In addition, he also earned a master's of business administration from the University of Santa Clara.

Charles W. Boesenberg, senior vice president and group executive, U.S. sales and marketing, joined Apple Computer, Inc. in January 1987. Prior to Apple, he held the position of vice president and general manager for Data General's operations in Europe, the Middle East and Africa. Before that, Boesenberg spent ten years with IBM in various sales and marketing management positions, most recently in the National Marketing Division. He holds a bachelor's of science degree in mechanical engineering and a master's of business administration from Boston University.

William B. Coldrick, vice president and general manager for western operations, joined Apple Computer, Inc. in April 1982. Since joining Apple he has held the positions of director of U.S. field sales and sales director of the northeast area. Prior to Apple, Coldrick spent 12 years with Honeywell Information Systems, where he held a number of positions including regional marketing director. He is a graduate of Iona College in New Rochelle, New York, with a bachelor's degree in marketing.

Deborah A. Coleman is chief financial officer for Apple Computer, Inc. Since joining Apple in 1981, Coleman has held various positions, including vice president of operations, director of worldwide manufacturing and controller, Macintosh division. Prior to Apple, she spent three years at Hewlett-Packard. Coleman holds a bachelor's

degree from Brown University and a master's in business administration from Stanford University.

Harold D. Copperman, vice president and general manager of eastern operations, joined Apple Computer, Inc. in 1987. Prior to joining Apple, he spent 20 years with IBM Corporation, most recently as director of marketing for higher education, within IBM's academic information systems business unit. A graduate of Rutgers University, Copperman holds a bachelor's of science degree in mechanical engineering.

Daniel L. Eilers, vice president of strategic investments, joined Apple Computer, Inc. in 1982. He is responsible for Apple's stategic investment activity to including venture capital investments and potential acquisitions. Previously director of strategic investments, Eilers joined Apple as applications software product manager for the Lisa computer and served as Apple's assistant treasurer from 1984 through 1985. Prior to joining Apple, Eilers was a news reporter and broadcast anchorman. He earned a bachelor's degree in economics from University of Washington and a master's degree in business administration from Stanford University.

Albert A. Eisenstat is senior vice president for Apple Computer, Inc. He joined Apple in 1980 as vice president, general counsel and secretary. Previously Eisenstat held positions at Bradford National Corporation, a large national financial transaction processing company, and at Tymshare Inc., a national computer timesharing company. In addition, he was the co-founder of United Data Centers, Inc. and spent six years in the professional partnership of Bard & Eisenstat. A graduate of the Wharton School of Finance of the University of Pennsylvania, Eisenstat holds a bachelor's of science degree in economics. He also earned a bachelor's of laws degree from the New York University School of Law; and was commissioned as a lieutenant in the U.S. Air Force during the Korean conflict where he served in the Procurement Division.

Jean-Louis Gassée, senior vice president, research and development, joined Apple Computer, Inc. in February, 1981. He is responsible for managing all product engineering and advanced technology activities and overseeing all hardware and software development. Prior to his current position, Gassée was the founding general manager for Apple Computer France, SARL. Before joining Apple, Gassée was president and general manager of the French subsidiary of Exxon Office Systems and spent six years at Hewlett-Packard. A graduate of the Faculty of Sciences, a math and physics university in Orsay, France, Gassée holds a master's of science degree.

John P. Karalis, vice president and general counsel, joined Apple Computer, Inc. in January, 1987. He is responsible for Apple's legal affairs worldwide. Before joining Apple, Karalis held the position of senior vice president and general counsel of Sperry Corporation. He spent 14 years at Honeywell Inc. where he served as vice president and assistant general counsel; after serving as a partner in a Minneapolis law firm. He earned both his bachelor's of arts degree and juris doctor degrees from the University of Minnesota.

Allan Z. Loren, vice president of information systems and technology, joined Apple Computer, Inc. in 1987. Prior to joining Apple, he spent 16 years at CIGNA Corporation. Loren's most recent position was as president of CIGNA Systems, the operations business of CIGNA Corporation, one of the world's largest insurance companies. In addition, to his experience at CIGNA, he held positions at Computer Performance Associates, Leasco Processing Corporation, and the National Institute of Health in Washington, D.C. A graduate of Queens College, Loren holds a bachelor's of science degree in mathematics.

Ralph Russo is vice president, worldwide operations for Apple Computer, Inc. Since joining Apple in 1984 he has held the positions of director of international operations and director of worldwide materials. Prior to Apple, Russo held various positions at Digital Equipment Corporation including site procurement manager and business manager of the Mass Storage Division. He is a graduate of Rutgers University and holds master's of history and business degree.

Joseph P. Shoendorf, vice president of marketing, joined Apple Computer, Inc. November of 1987. Prior to joining Apple, he spent two years with Ungermann-Bass where he was vice president and served on its board of directors. In addition, he served as president and chief executive officer of INI, a joint networking venture with Ungermann-Bass and General Electric. Before joining Ungermann-Bass, Shoendorf spent 18 years with Hewlett-Packard in various sales and marketing management positions. A graduate of Purdue University, he holds a bachelor's of science degree in electrical engineering.

Michael H. Spindler is senior vice president, international operations for Apple Computer, Inc. Previously he was vice president and general manager of the international division. Spindler joined Apple in 1980, as marketing manager for Apple's European operations. In addition to his employment with Apple, Spindler has

been European marketing manager for Intel Corporation, a leading semiconductor and microprocessor manufacturer. Also he has held positions at Digital Equipment Corporation, Schlumberger Ltd., in the field of high speed telemetry applications and Siemens AG, as a computer design engineer. A graduate of Rheinische Fachhochschule in 1966, Spindler holds a master's of science degree in engineering.

Kevin Sullivan, vice president human resources, joined Apple Computer, Inc. March 1987. He is responsible for all of Apple's human resources functions worldwide, including employee relations, compensation, benefits, staffing, employee communications and employee training. Prior to Apple, Sullivan spent 13 years with Digital Equipment Corporation in a variety of senior personnel management positions and was responsible for domestic and international HR activities. Sullivan holds a bachelor's degree in political science from Columbia University and a master's degree from Wesleyan University in Middletown, CT.

Lawrence G. Tesler, vice president, advanced technology, joined Apple Computer, Inc. in 1980. He is responsible for investigating technologies, architectures and standards that will be of value to Apple in future product development. Since joining Apple, Tesler also has held the positions of director of advanced development, manager of object-oriented systems and section manager of applications software for the Lisa personal computer. Prior to Apple, Tesler was a member of the research staff at Xerox Palo Alto Research Center. He was also a researcher at Stanford University's Artificial Intelligence Laboratories and president of Information Processing Corporation. A graduate of Stanford University, Tesler holds a bachelor's of science degree in mathematics.

Roy H. Weaver Jr. is vice president distribution for Apple Computer, Inc. Since joining Apple, he has also held the position of vice president of field operations. Prior to Apple, Weaver held the positions of manager of product distribution and worldwide director of customer service for National Semiconductor, based in Phoenix, Ariz. A graduate of Washington and Lee University in Virginia, he earned a bachelor's of science degree in business administration.

CORPORATE CULTURE

Apple experienced unusual growth in its first decade while bringing to market highly innovative and breakthrough products. In only its second year, Apple was recognized as one of the fastest growing companies in America. In 1983, it became the youngest company to enter the Fortune 500 at number 411, and in 1986 it had achieved Fortune 200 classification. Yet Apple continued to maintain one of the highest revenue-per-employee ratios in the personal computer industry. The average age of employees during this period was under 30.

This kind of growth, innovation, employee enthusiasm and lean organization structure is possible because of a corporate culture that made Apple an unusual place to work.

Apple's identity is based on three important ideas:

(1) Create great personal computer products. One person, one computer is still Apple's vision. As a company its purpose is to bring technology to individuals and make it easily accessible and affordable.

(2) Have a passion for changing the world. Apple wants to make personal computers a way of life in work, education and the home. It wants to be a catalyst for improving the way things are done.

(3) Build an exciting environment. The company wants to make working at Apple a fun, rewarding and exciting experience. Openness, shared vision and a freedom to learn characterize the environment.

Apple's corporate culture fosters creativity, rewards achievement and responsible risk taking, promotes innovation and encourages people to make a difference. The company believes in the strength of teamwork and working as a team, Apple seeks to be a corporate leader and do things that have never been done before. The company is dedicated to making the world a better place to live through its products that extend a person's ability to work, learn, create and communicate.

> Ten years ago, most letters were written on a typewriter. Most records were kept in file cabinets. Most financial data was confined to the accountant's office. And most people had never seen a computer--let alone imagined they would ever use or own one.
>
> Apple, more than any other company in the world, helped to change all that. If it's hard now to imagine a business or a school without personal computers, it's impossible to imagine personal computers without Apple.
>
> -- "So Far, The First Ten Years of A Vision"